in the Government, Public Sector Enterprises and Banks with a view to achieving broad parity in emoluments among these posts in due course, (iv) reduction in the number of employees by 10—15 per cent and (v) curtailment in LTC and overtime allowance. The financial implications of the recommendations have yet to be worked out.

**NRI Bonds for Telugu Ganga Project**

912. DR. NARREDDY THULASI REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government of Andhra Pradesh have asked the Central Government to give permission to issue NRI bonds for collecting additional fund for Telugu Ganga Project;

(b) if so, the details thereof;

(c) whether the Central Government have given the permission; and

(d) if not, the reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) The Government of Andhra Pradesh sought permission for floating NRI bonds for financing the Telugu Ganga Project in December, 1990.

(c) and (d) The proposal has not been agreed to as according to the Government policy, issue of public sector bonds is restricted only to those undertakings which are wholly or partly owned by Central Government. The proposals for issue of bonds by undertakings of State Governments tied to a particular project is, effectively, only another form of Government guaranteed borrowings and would preempt resources from the Government's external borrowings programme, which is subject to a predetermined limit owing to prudential considerations.

**Non-utilisation of external assistance**

913. SHRI MENTAY PADMANABHAM:

DR. NAUNIHAL SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether about dollar 20 billion of external assistance both bilateral and multilateral remains unutilised;

(b) if so, what are the reasons therefor;

(c) how much damages have been paid by Government so far for non-utilisation of this external assistance; and

(d) what steps have been taken by Government for utilisation or return of this assistance?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Yes, Sir.

(b) Most of the external assistance is tied to specific projects and disbursements are therefore linked to the project implementation schedule. The pace of actual implementation varies from project to project. However, the loan amount not utilised during a particular financial year does not normally lapse and would be carried forward for utilisation in subsequent years.

(c) Government has to pay no damages for non-utilisation of external assistance. However, a service (or commitment) charge of 0.5 per cent is to be paid to IBRD, Germany, ADB and France on undrawn balances.

(d) Government have taken a number of steps to accelerate the implementation of externally aided projects and the utilisation of external assistance. These include simplification of procedures for release of forcign exchange and tender evaluation, passing on of 100 per cent external assistance to States, and advance